

A bill for an act

relating to construction; requiring registration of unlicensed contractors and subcontractors; imposing a fee; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 326B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[326B.881] REGISTRATION OF UNLICENSED PERSONS.**

Subdivision 1. **Registration required.** (a) An unlicensed person who performs public or private sector commercial or residential building construction or improvement services must register with the commissioner every two years. A licensed person includes a plumbing contractor who has in their employ a licensed master plumber or restricted master plumber under section 326B.42 or a mechanical contractor as defined under section 326B.802. The registration must be submitted on a form and in a manner prescribed by the commissioner and must include the information specified in paragraphs (b) to (d).

(b) For individuals, the registration must include:

(1) the person's full name, residence address, and telephone number;

(2) the person's business address, e-mail address, and telephone number;

(3) the name under which the person conducts business if other than the person's full name;

(4) the services provided;

(5) Social Security number or federal employer identification number; and

(6) a certificate of insurance showing workers' compensation coverage if applicable.

(c) For limited liability companies and corporations, the registration must include the following information for any individual who is a member, governor, officer, director, or owner of more than ten percent of the business entity:

(1) full name;

(2) title within the business entity;

(3) share of ownership of the business entity; and

(4) Social Security number or federal employer identification number.

(d) Limited liability companies, corporations, partnerships, and other business entities must provide the following information:

(1) the legal name under which the business entity intends to offer services;

(2) the address at which the business entity is physically located;

(3) the business telephone number and e-mail address;

(4) the services provided by the business entity;

(5) a federal employer identification number;

(6) the approximate number of employees; and

(7) a certificate of insurance showing workers' compensation coverage if applicable.

Subd. 2. **Exclusions.** For purposes of this section, building construction and improvement services do not include the manufacture, supply, or sale of products, materials, or merchandise.

Subd. 3. **Application of requirements.** The registration requirements under this section do not apply to persons with a valid independent contractor exemption certificate under section 181.723.

Subd. 4. **Fees.** A \$100 registration fee shall be paid to the commissioner upon registration.

Subd. 5. **Prohibited activities.** A person violating the requirements of this section shall not perform public or private sector commercial or residential building construction or improvement services in this state. Proof of registration must be maintained for at least two years from the date of registration. Proof of registration must be provided by a person before entering into a contract for public or private sector commercial or residential building construction or improvement services on or after the effective date of this section. Violations of this subdivision are subject to a \$500 fine payable to the commissioner for deposit into the assigned risk safety account under chapter 79.

EFFECTIVE DATE. This section is effective January 1, 2010.